



**Florida House of Representatives
Carlos Lopez-Cantera
Majority Whip
District 113**

District Office:
2300 Coral Way
Suite 111
Miami, FL 33145
(305) 442-6877

Tallahassee Office:
323 The Capitol
402 S. Monroe Street
Tallahassee, FL 32399-1300
(850) 488-4202

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CONTACT: Joseph Ruiz
(850) 488-4202

LEGISLATURE CLOSES CORPORATE TAX LOOPHOLE

~Measure Helps Generate Revenue, Economic Growth~

TALLAHASSEE, FL – Today the Florida Legislature passed Senate Bill (SB) 2430 sponsored in the House by Majority Whip Carlos Lopez-Cantera (R-Miami). Representative Lopez-Cantera lauded the unanimous passage by both chambers of the bill also referred to as the *Crescent* fix and issued the following statement:

“I believe it’s important to take a fiscally responsible long-term view that puts Florida in the best shape possible to rebound when the economy picks up. This bill is a significant step in that direction. When signed into law, this bi-partisan measure will close a corporate loophole created by the Florida Supreme Court’s *Crescent* decision, and by doing so, will generate millions of dollars in lost revenue for the State during these difficult economic times. In addition, this bill will extend the Miami-Dade County Affordable Documentary Surtax Program which provides millions of dollars to help finance the construction, rehabilitation and purchase of housing for low-income and moderate-income families in Miami-Dade County.”

SB 2430 closes a tax avoidance technique made possible by the Florida Supreme Court’s decision in the *Crescent* case. The bill closes this loophole by imposing a tax on the transfer of ownership interests in artificial entities (Corporations, Limited Liability Companies, etc) that acquire real property in transactions that are not subject to the documentary stamp tax.

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Furthermore, SB 2430 extends the Miami-Dade Affordable Housing Documentary Surtax Program through October 1, 2031. This program is limited solely to Miami-Dade County and helps finance the construction, rehabilitation and purchase of housing for low-income and moderate-income families.

Senate Bill 2430 was sponsored in the Senate by Minority Leader Al Lawson (D-Tallahassee) and Senator Dan Gelber (D-Miami Beach). It now awaits the Governor's signature.

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